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BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

COMMISSIONERS

2006 SEP 12 1 A 9 09

DOCKETED

SEP 12 2006

JEFF HATCH-MILLER, Chairman
WILLIAM A. MUNDELL
MIKE GLEASON
KRISTIN K. MAYES
BARRY WONG

AZ CORP COMMISSION
DOCUMENT CONTROL

DOCKETED BY	
<i>[Signature]</i>	<i>[Signature]</i>

IN THE MATTER OF THE APPLICATION OF
ARIZONA WATER COMPANY FOR AN
EXTENSION OF ITS EXISTING CERTIFICATE
OF CONVENIENCE AND NECESSITY.

DOCKET NO. W-01445A-06-0199

IN THE MATTER OF THE APPLICATION OF
PALO VERDE UTILITIES COMPANY FOR AN
EXTENSION OF ITS EXISTING CERTIFICATE
OF CONVENIENCE AND NECESSITY.

DOCKET NO. SW-03575A-05-0926

IN THE MATTER OF THE APPLICATION OF
SANTA CRUZ WATER COMPANY FOR AN
EXTENSION OF ITS CERTIFICATE OF ITS
EXISTING CERTIFICATE OF CONVENIENCE
AND NECESSITY.

DOCKET NO. W-03576A-05-0926

PROCEDURAL ORDER

BY THE COMMISSION:

On December 28, 2005, Palo Verde Utilities Company ("Palo Verde") and Santa Cruz Water Company ("Santa Cruz") (collectively, "Global") filed an application with the Arizona Corporation Commission ("Commission") for an extension of their Certificates of Convenience and Necessity ("Certificate") in Docket Nos. SW-03575A-05-0926 and W-03576A-05-0926.

On March 29, 2006, Arizona Water Company ("AWC") filed an application with the Commission to extend its Certificate in Docket No. W-01445A-06-0199. On this same day, AWC requested to intervene in Docket Nos. SW-03575A-05-0926 and W-03576A-05-0926. AWC's request for intervention was granted by procedural order on April 12, 2006.

On April 7, 2006, Palo Verde and Santa Cruz filed an application to intervene in Docket No. W-01445A-06-0199.

On April 24, 2006, by Procedural Order, Palo Verde and Santa Cruz were granted intervention and the above-captioned matters were consolidated for purposes of hearing.

On April 27, 2006, Anderson & Miller 694, LLP filed a Motion to Intervene.

On April 28, 2006, CHI Construction Company ("CHI"), CP Water Company ("CP") and Anderson & Barnes 580, LLC ("Anderson & Barnes") filed Motions to Intervene.

On May 2, 2006, KEJE Group, LLC ("KEJE") filed a Motion to Intervene.

On May 3, 2006, Anderson & Val Vista 6, LLC ("Anderson & Val Vista") filed a Motion to Intervene.

On May 11, 2006, by Procedural Order, Anderson & Miller, Anderson & Barnes, CHI and CP were granted intervention.

On May 18, 2006, KEJE and Anderson & Val Vista were granted intervention.

On May 18, 2006, Ridgeview Utility Company, Picacho Water Company, Lago Del Oro Water Company and Santa Rosa Water Company (collectively "Robson Utilities") filed a Motion to Intervene.

On May 31, 2006, Gallup Financial, LLC filed a Motion to Intervene.

On June 1, 2006, Staff filed an insufficiency letter.

On June 1, 2006, Palo Verde and Santa Cruz filed a Response in Support of the Motion to Intervene by Robson Utilities.

On June 1, 2006, CHI Construction, which was granted intervention in this matter on May 15, 2006, filed a Motion to Exclude the Property of CHI from the requested extension area.

On June 1, 2006, CP Water filed a Motion to Exclude CP from the requested extension area.

On June 7, 2006, Staff filed an Objection to the Motion to Intervene by Robson Utilities.

On June 12, 2006, Robson Utilities filed a Reply in Support of its Motion to Intervene.

On June 13, 2006, by Procedural Order, Gallup Financial, LLC was granted intervention in this matter.

On June 20, 2006, AWC filed a Response to CHI's and CP's Motions to Exclude Territory from Requested Extension Area.

On June 23, 2006, Staff filed a Sufficiency Letter in this docket indicating that Global's application had met the sufficiency requirements as outlined in the Arizona Administrative Code.

On June 23, 2006, Santa Cruz and Palo Verde filed a Motion to Vacate the Consolidation and a Motion to Dismiss the Application filed by AWC.

1 On July 10, 2006, by Procedural Order, Robson's Motion to Intervene was denied and a
2 procedural conference was scheduled for July 27, 2006.

3 On July 27, 2006, the procedural conference was held as scheduled. The parties agreed to a
4 continuance of the procedural conference and other procedural deadlines were set.

5 On July 28, 2006, Robson Utilities filed a Motion for Reconsideration on Denial of Request
6 for Intervenor Status. Also on this date, Staff filed a Sufficiency Letter in this docket indicating that
7 AWC's application had met the sufficiency requirements as outlined by the Arizona Administrative
8 Code.

9 On July 31, 2006, a Procedural Order was issued setting various dates; however, the
10 Procedural Order inadvertently misstated some of the dates and an Amended Procedural Order was
11 issued on August 7, 2006.

12 On August 7, 2006, by Procedural Order, a procedural conference was scheduled and various
13 deadlines were established.

14 On August 15, 2006, the procedural conference was held as scheduled to hear oral argument
15 on Global's Motion to Dismiss AWC's Application and Global's Motion to Vacate Consolidation
16 and/or to Sever. At hearing, Global, AWC and Staff appeared through counsel. After consideration
17 of the pleadings filed and arguments presented at the Procedural Conference, Global's Motion to
18 Dismiss AWC's Application and Global's Motion to Vacate Consolidation and/or Sever, were
19 denied.

20 IT IS THEREFORE ORDERED that the **evidentiary hearing** in this matter shall commence
21 on **December 13, 2006 at 10:00 a.m., and continue to December 14, 2006 at 10:00 a.m.**, or as
22 soon thereafter as is practical, at the Commission's offices, 1200 West Washington, Phoenix, Arizona
23 85007.

24 IT IS FURTHER ORDERED that a **pre-hearing conference shall be held on December 11,**
25 **2006 at 10:00 a.m.**, at the Commission's office in Phoenix, Arizona for the purpose of discussing the
26 scheduling of witnesses and the conduct of the hearing.

27 IT IS FURTHER ORDERED that counsel for Chi Construction and CP Water, counsel for
28 Global, counsel for AWC and counsel for Staff shall engage in settlement negotiations prior to the

1 September 27, 2006, Procedural Conference on Chi Construction's and CP Water's Motion to be
2 Excluded from AWC's CC&N.

3 IT IS FURTHER ORDERED that the **Staff Report and/or any direct testimony and**
4 **associated exhibits** to be presented at hearing on behalf of Staff shall be reduced to writing and filed
5 on or before **October 16, 2006**.

6 IT IS FURTHER ORDERED that any **direct testimony and associated exhibits to be**
7 **presented at hearing on behalf of intervenors** shall be reduced to writing and filed on or before
8 **October 16, 2006**.

9 IT IS FURTHER ORDERED that AWC and Global shall **file their Responses to the Staff**
10 **Report and/or any direct testimony and to any intervenors' testimony** on or before **November**
11 **16, 2006**. The Response may be in the form of rebuttal testimony, and shall include any associated
12 exhibits.

13 IT IS FURTHER ORDERED that any substantive corrections, revisions, or supplements to
14 pre-filed testimony, the Staff Report or the Company's Response shall be reduced to writing and filed
15 no later than November 27, 2006.

16 IT IS FURTHER ORDERED that **intervention** shall be in accordance with A.A.C. R14-3-
17 105, except that all motions to intervene must be filed on or before **October 16, 2006**.

18 IT IS FURTHER ORDERED that **objections to intervention** shall be filed by **November 16,**
19 **2006**.

20 IT IS FURTHER ORDERED that discovery shall be as permitted by law and the rules and
21 regulations of the Commission, except that: for discovery requests made though October 30, 2006,
22 any objection to discovery requests shall be made within 5 days¹ of receipt and responses to
23 discovery requests shall be made within 7 days of receipt; thereafter, objections to discovery requests
24 shall be made within 3 days and responses shall be made in 3 days, the response time may be
25 extended by mutual agreement of the parties involved if the request requires an extensive compilation
26 effort; and no discovery requests shall be served after December 1, 2006.

27
28 ¹ "Days" means calendar days.

1 IT IS FURTHER ORDERED that, in the alternative to filing a written motion to compel
 2 discovery, any party seeking discovery may telephonically contact the Commission's Hearing
 3 Division to request a date for a procedural hearing to resolve the discovery dispute; that upon such a
 4 request, a procedural hearing will be convened as soon as practicable; and that the party making such
 5 a request shall contact all other parties to advise them of the hearing date and shall at the procedural
 6 hearing provide a statement confirming that the other parties were contacted.²

7 IT IS FURTHER ORDERED that any motions filed in this matter that are not ruled upon by
 8 the Commission within 20 days of the filing date of the motion shall be deemed denied.

9 IT IS FURTHER ORDERED that any responses to motions shall be filed within five days of
 10 the filing date of the motion.

11 IT IS FURTHER ORDERED that any replies shall be filed within five days of the filing date
 12 of the response.

13 IT IS FURTHER ORDERED that Arizona Water Company, Palo Verde Utilities and Santa
 14 Cruz Water Company shall provide public notice of the hearing in this matter, in the following form
 15 and style, with the heading no less than 10 point bold type and the body no less than 10 point regular
 16 type:

17 **PUBLIC NOTICE OF THE HEARING FOR THE APPLICATION OF**
 18 **ARIZONA WATER COMPANY, PALO VERDE UTILITIES COMPANY AND SANTA**
 19 **CRUZ WATER COMPANY FOR EXTENSIONS OF THEIR**
 20 **CERTIFICATES OF CONVENIENCE AND NECESSITY**

Docket Nos. W-01445A-06-0199, SW-03575A-05-0926 and W-03576A-05-0926

21 On December 28, 2005, Palo Verde Utilities Company and Santa Cruz Water
 22 Company filed, in Docket Nos. SW-03575A-05-0926 and W-03576A-05-0926, with
 23 the Arizona Corporation Commission ("Commission") an application for an
 24 extension of their Certificate of Convenience and Necessity ("Certificate") to provide
 25 water and wastewater utility service. On March 29, 2006, Arizona Water Company
 26 filed, in Docket No. W-01445A-06-0199, an application with the Commission to
 27 extend its Certificate to provide water utility service. On April 24, 2006, the matters
 28 were consolidated for purposes of hearing. The application, report of the
 Commission's Utilities Division Staff, and any written exceptions to the staff report
 prepared by the applicants are available for inspection during regular business hours
 at the offices of the Commission located at 1200 West Washington Street, Phoenix,
 Arizona 85007, and at offices of the Company, [address] and on the internet via the

² The parties are encouraged to attempt to settle discovery disputes through informal, good-faith negotiations before seeking Commission resolution of the controversy.

Commission website (www.azcc.gov) using the e-docket function.

The Commission will hold a public hearing on this matter on **December 13 and 14, 2006, at 10:00 a.m.** at the Commission's offices, at 1200 West Washington Street, Phoenix, Arizona. Public comment will be taken on the first day of the hearing.

The law provides for an open public hearing at which, under appropriate circumstances, interested parties may intervene in the proceedings and participate as a party. Intervention shall be permitted to any person entitled by law to intervene and having a direct and substantial interest in the matter. Persons desiring to intervene must file a written motion to intervene with the Commission and send such motion to the Company or its counsel and to all parties of record, and which at the minimum, shall contain the following:

1. The name, address, and telephone number of the proposed intervenor and of any party upon whom service of documents is to be made if different than the intervenor.
2. A short statement of the proposed intervenor's interest in the proceeding (e.g. a customer of the Company, a shareholder of the Company, a competitor, etc.).
3. A statement certifying that a copy of the motion to intervene has been mailed to the Company or its counsel and to all parties of record in the case.

The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except that all motions to intervene must be filed on or before **October 16, 2006**. The granting of intervention, among other things, entitles a party to present sworn evidence at the hearing and to cross-examine other witnesses. Failure to intervene will not preclude any interested person or entity from appearing at the hearing and making a statement on their own behalf. You will not, however, receive any further notice of the proceeding unless requested by you. Please check with the Commission for any changes to the scheduled hearing date.

If you have any comments, mail them to:

The Arizona Corporation Commission
Attention Docket Control
re: Arizona Water Company et al.
W-01445A-06-0199 et al.
1200 West Washington Street
Phoenix, Arizona 85007

If you have any questions about this application, you may contact the applicants at **[insert telephone number for each applicant]**. If you wish to file written comments on the application or want information on intervention, you may contact the Consumer Services Section of the Commission at 1200 West Washington Street, Phoenix, Arizona 85007 or call 1-800-222-7000.

The Commission does not discriminate on the basis of disability in admission to its public meetings. Persons with a disability may request a reasonable accommodation such as sign language interpreter, as well as request this document in an alternative format, by contacting Linda Hogan, ADA Coordinator, voice phone number 602-542-3931, E-mail lhogan@azcc.gov. Requests should be made as early as possible to allow time to arrange the accommodation.

1 IT IS FURTHER ORDERED that the Arizona Water Company, Palo Verde Utilities
2 Company and Santa Cruz Water Company shall each **mail to all property owners or property**
3 **owner representatives** in their respective requested extension areas a copy of the above notice and
4 shall cause the above notice to be published in a newspaper of general circulation in its service
5 territory, with publication and mailing to be completed no later than **September 22, 2006**.

6 IT IS FURTHER ORDERED that the Arizona Water Company, Palo Verde Utilities
7 Company and Santa Cruz Water Company shall **file certification of mailing and publication** as
8 soon as practicable, but not later than **October 6, 2006**.

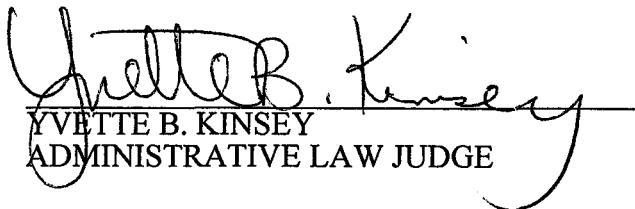
9 IT IS FURTHER ORDERED that notice shall be deemed complete upon mailing and
10 publication of same, notwithstanding the failure of an individual customer to read or receive the
11 notice.

12 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113 - Unauthorized
13 Communications) applies to this proceeding and shall remain in effect until the Commission's
14 Decision in this matter is final and non-appealable.

15 IT IS FURTHER ORDERED that the time-clock in this matter is suspended until further
16 Order.

17 IT IS FURTHER ORDERED that the Presiding Officer may rescind, alter, amend, or waive
18 any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

19 Dated this 12th day of September, 2006

20
21 
22 YVETTE B. KINSEY
23 ADMINISTRATIVE LAW JUDGE

24 Copies of the foregoing mailed/delivered
25 this 12 day of September, 2006 to:

26 Robert W. Geake
27 ARIZONA WATER COMPANY
28 P.O. Box 29006
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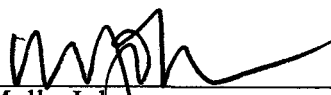
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By:


 Molly Johnson
 Secretary to Yvette B. Kinsey